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RECORDATION NO. _____ Filed & Recorded

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INTERSTATE COMMERCE COMMISSION

AGREEMENT AND ASSIGNMENT

Dated as of May 1, 1971

between

SEGAR FOUR CORPORATION

and

**GIRARD TRUST BANK,
As Agent**

Filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act on _____, at _____, Recordation No. _____

AGREEMENT AND ASSIGNMENT dated as of May 1, 1971, between SEGAR FOUR CORPORATION, a Delaware corporation (hereinafter called the Vendor), and GIRARD TRUST BANK, acting as Agent under a Finance Agreement dated as of May 1, 1971 (hereinafter called the Finance Agreement and said Bank, so acting, being hereinafter called the Assignee).

WHEREAS, the Vendor, SEGAR FOUR LEASING COMPANY (hereinafter called the Company), and READING COMPANY (hereinafter called the Guarantor), have entered into a Conditional Sale Agreement dated as of May 1, 1971, (hereinafter called the Conditional Sale Agreement), covering the sale and delivery, on the conditions therein set forth, by the Vendor and the purchase by the Company of the railroad equipment described in Annex A to the Conditional Sale agreement (said equipment being hereinafter called the Equipment);

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT (hereinafter called this Assignment) WITNESSETH: That, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Vendor, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained:

SECTION 1. The Vendor hereby assigns, transfers, and sets over unto the Assignee, its successors and assigns:

(a) All the right, title and interest of the Vendor in and to each unit of the Equipment:

(b) all the right, title and interest of the Vendor in and to the Conditional Sale Agreement (except the right to sell and deliver the Equipment and the right to receive the payments specified in subparagraph (a) of the third paragraph of Article 3 thereof), and in and to any and all amounts which may be or become due or owing to the Vendor under the Conditional Sale Agreement on account of the indebtedness in respect of the Purchase Price (as defined in the Conditional Sale Agreement) of the Equipment and interest thereon, and in and to any other sums becoming due from the Company or the Guarantor under the Conditional Sale Agreement, other than those hereinabove excluded; and

(c) except as limited by subparagraph (b) of this paragraph, all the Vendor's rights, powers, privileges and remedies under the Conditional Sale Agreement;

without any recourse, however, against the Vendor for or on account of the failure of the Company or the Guarantor to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the Conditional Sale Agreement; *provided, however*, that this Assignment shall not subject the Assignee to, or transfer, or

pass, or in any way affect or modify, the obligations of the Vendor to deliver the Equipment in accordance with the Conditional Sale Agreement or relieve the Company or the Guarantor from their respective obligations to the Vendor contained or referred to in the Conditional Sale Agreement, it being understood and agreed that, notwithstanding this Assignment or any subsequent assignment pursuant to the provisions of Article 16 of the Conditional Sale Agreement, all obligations of the Vendor to the Company with respect to the Equipment shall be and remain enforceable by the Company, its successors and assigns, against and only against the Vendor. In furtherance of the foregoing assignment and transfer, the Vendor hereby authorizes and empowers the Assignee in the Assignee's own name, or in the name of the Assignee's nominee, or in the name of and as attorney hereby irrevocably constituted for the Vendor, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance by the Company and the Guarantor with the terms and agreements on their parts to be performed under the Conditional Sale Agreement, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 2. The Vendor covenants and agrees that it will deliver the Equipment to the Company in accordance with the provisions of the Conditional Sale Agreement; and that, notwithstanding this Assignment, it will perform and fully comply with each and all the covenants and conditions of the Conditional Sale Agreement set forth to be performed and complied with by the Vendor. The Vendor further covenants and agrees that it will warrant to the Assignee and the Company that at the time of delivery of each unit of the Equipment to the Company under the Conditional Sale Agreement it had legal title to such unit and good and lawful right to sell such unit and the title to such unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Company under the Conditional Sale Agreement and the rights of the Guarantor under the Lease (as defined in the Conditional Sale Agreement); and the Vendor further covenants and agrees that it will defend the title to such unit against the demands of all persons whomsoever based on claims originating prior to said delivery of such unit by the Vendor to the Company; *all subject, however*, to the provisions of the Conditional Sale Agreement and the rights of the Company thereunder. The Vendor will not deliver any of the Equipment to the Company under the Conditional Sale Agreement until the Conditional Sale Agreement, the Lease and an assignment of each thereof with respect to such unit of the Equipment have been filed pursuant to Section 20c of the Interstate Commerce Act.

The Vendor covenants and agrees with the Assignee that in any suit, proceeding or action brought by the Assignee under the Conditional Sale Agreement for any instalment of, or interest on, indebtedness in respect of the Purchase Price (as that term is defined in the Conditional Sale Agreement) of the Equipment or to enforce any provision of the Conditional Sale Agreement, the Vendor will indemnify, protect and hold harmless the Assignee from and against all expenses, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever of the Company arising out of a breach by the Vendor of the obligation with respect to the Equipment or the delivery or

warranty thereof, or by reason of any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Company or the Guarantor by the Vendor.

The Vendor agrees that any amount payable to it by the Company or the Guarantor, whether pursuant to the Conditional Sale Agreement or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest on any units of the Equipment in respect of which the Assignee pays to the Vendor the amount to be paid under Section 5 hereof.

SECTION 3. The Vendor will cause to be plainly, distinctly, permanently and conspicuously marked on each side of each unit of the Equipment, at the time of delivery thereof to the Company, in letters not less than one inch in height, the legend referred to in Article 9 of the Conditional Sale Agreement.

SECTION 4. Upon request of the Assignee, its successors and assigns, the Vendor will execute any and all instruments which may be necessary or proper in order to discharge of record the Conditional Sale Agreement or any other instrument evidencing any interest of the Vendor therein or in the Equipment.

SECTION 5. The Assignee, on each Closing Date fixed as provided in Article 3 of the Conditional Sale Agreement with respect to a Group (as defined in said Article 3) shall pay to the Vendor an amount equal to that portion of the Purchase Price (as defined in said Article 3) of such Group not required to be paid pursuant to subparagraph (a) of the third paragraph of said Article 3 provided that there have been delivered to the Assignee and its counsel (with a signed counterpart to the Company) the following documents, in such number of counterparts or copies as may reasonably be requested, in form and substance satisfactory to it and to its special counsel hereinafter mentioned:

(a) Bill of Sale from the Vendor to the Assignee, confirming the transfer hereunder to the Assignee of security title to the units of Equipment in the Group and warranting to the Assignee and to the Company that at the time of delivery to the Company under the Conditional Sale Agreement the Vendor had legal title to the Equipment and good and lawful right to sell the Equipment and title to the Equipment was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Company under the Conditional Sale Agreement and the rights of the Guarantor under the Lease;

(b) Certificate or Certificates of Acceptance with respect to the Equipment in the Group as contemplated by Article 2 of the Conditional Sale Agreement and the Certificate or Certificates of Acceptance pursuant to § 1 of the Lease;

(c) Invoices for the Equipment in the Group accompanied by or having endorsed thereon a certification by the Company and the Guarantor as to the correctness of the prices of such units as set forth in said invoices;

(d) Opinion, dated as of such Closing Date, of Messrs. Morgan, Lewis & Bockius, who are acting as special counsel for the Assignee and for the Investors named in the Finance Agreement, addressed to the Assignee and each Investor (as defined in the Finance Agreement) stating that (i) the Finance Agreement has been duly authorized, executed and delivered by the Agent and is binding upon it, (ii) the Conditional Sale Agreement has been duly authorized, executed and delivered by the respective parties thereto and is a legal and valid instrument binding upon the parties thereto and enforceable in accordance with its terms, (iii) this Assignment has been duly authorized, executed and delivered by the respective parties hereto and is a legal and valid instrument binding upon the parties hereto, (iv) the Assignee is vested with all the rights, titles, interest, powers, privileges and remedies purported to be assigned to it by this Assignment, (v) security title to the units of the Equipment in the Group is validly vested in the Assignee and the Equipment, at the time of delivery thereof to the Company under the Conditional Sale Agreement, was free of all claims, liens, security interests and other encumbrances except only the rights of the Vendor under the Conditional Sale Agreement and the rights of the Guarantor under the Lease, (vi) no approval of the Interstate Commerce Commission or any other United States governmental authority is necessary for the execution and delivery of the Finance Agreement, the Conditional Sale Agreement or this Assignment, or, if any approval is necessary, it has been obtained, (vii) the Conditional Sale Agreement, this Assignment, the Lease and the Lease Assignment have been duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act; and no other filing, recording or deposit (or giving of notice) is necessary for the protection of the rights hereunder of the Assignee in the United States of America and (viii) registration of the Conditional Sale Agreement, this Assignment or the certificates of interest delivered pursuant to the Finance Agreement is not required under the Securities Act of 1933, as amended, and qualification of an indenture with respect thereto is not required under the Trust Indenture Act of 1939, as amended, and such opinion shall cover such other matters as the Assignee or any investor may reasonably request;

(e) Opinion, dated as of such Closing Date, of counsel for the Company addressed to the Assignee to the effect set forth in clauses (v), (vi), and (vii) of subparagraph (d) above and stating that (i) the Company is a duly organized and existing limited partnership in good standing under the laws of the District of Columbia and has the power and authority to own its properties and to carry on its business as now conducted, (ii) the Conditional Sale Agreement and the Lease have been duly authorized, executed and delivered on behalf of the Company and are legal and valid instruments binding upon the parties thereto and enforceable against the Company in accordance with their terms;

(f) Opinion, dated as of such Closing Date, of counsel for the Guarantor addressed to the Assignee to the effect set forth in clauses (v) through (vii) of subparagraph (d) above, except that the opinion need not state that Vendor has validly assigned such title as it may have received from the manufacturer of the Equipment, and stating that (i) the Guarantor is a duly organized and existing corporation in good standing

under the laws of Pennsylvania and has the power and authority to own its properties and to carry on its business as now conducted and (ii) the Conditional Sale Agreement has been duly authorized, executed and delivered on behalf of the Guarantor and is a legal and valid instrument binding upon the parties thereto and enforceable against the Guarantor in accordance with its terms;

(g) Opinion, dated as of such Closing Date, of counsel for the Vendor addressed to the Assignee to the effect set forth in clauses (iv) and (v) of subparagraph (d) above and stating that (i) the Vendor is a duly organized and existing corporation in good standing under the laws of Delaware and has the power and authority to own its properties and to carry on its business as now conducted and (ii) the Conditional Sale Agreement and this Assignment have been duly authorized, executed and delivered by the Vendor and are valid instruments binding upon the Vendor and enforceable against the Vendor in accordance with their terms;

(h) Opinion of counsel for the Company required by the Pledge Agreement dated as of May 1, 1971, from the shareholders of the Vendor to the Assignee; and

(i) Unless payment of the amount, if any, payable pursuant to subparagraph (a) of the third paragraph of Article 3 of the Conditional Sale Agreement shall be made by the Assignee with funds furnished to it for that purpose by the Company, the receipt from the Vendor for such payment; and

(j) Evidence that Vendor has paid for the construction of the Units of Equipment in the Group.

In giving the opinions specified in this Section 5, counsel may qualify any opinion to the effect that any agreement is a legal and valid instrument binding upon the parties thereto and enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally. In giving the opinions specified in subparagraphs (d), (e) and (g) of the first paragraph of this Section 5, counsel may rely as to the title to the units of the Equipment in the Group at the time of delivery to the Company upon the opinion of counsel for the Vendor and Guarantor.

The obligation of the Assignee hereunder to make payment for any Group of the Equipment is hereby expressly conditioned upon the prior receipt by the Assignee, pursuant to the Finance Agreement, of all the funds to be furnished to the Assignee under the Finance Agreement by the Investors named on the signature page thereof and upon payment by the Company of the amount required to be paid by it pursuant to subparagraph (a) of the third paragraph of Article 3 of the Conditional Sale Agreement.

The Assignee shall not be obligated to make any of the above-mentioned payments at any time while an event of default, or any event which with the lapse of time and/or demand provided for in the Conditional Sale Agreement will constitute an event of default, shall be subsisting under the Conditional Sale Agreement.

In the event that the payments to be made by the Assignee hereunder shall not be paid, the Assignee shall reassign to the Vendor, without recourse to the Assignee, all right, title and interest of the Assignee in and to the units of Equipment in the Group with respect to which such payment has not been made by the Assignee.

SECTION 6. The Assignee may assign all or any of its rights under the Conditional Sale Agreement, including the right to receive any payments due or to become due to it from the Company or the Guarantor thereunder. In the event of any such assignment any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 7. The Vendor hereby:

(a) represents and warrants to the Assignee, its successors and assigns, that the Conditional Sale Agreement was duly authorized and lawfully executed and delivered by it for a valid consideration, that (assuming due authorization, execution and delivery by the Company and the Guarantor) it is a valid and existing agreement binding upon the Vendor, the Company and the Guarantor, and that it is now in force without amendment thereto; and

(b) covenants and agrees that it will from time to time and at all times, at the request of the Assignee or its successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee or intended so to be.

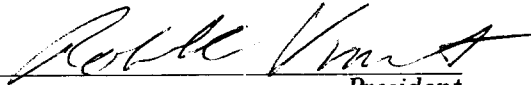
SECTION 8. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania.

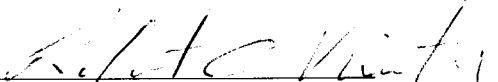
SECTION 9. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Assignee shall be deemed to be the original counterpart. Although this Assignment is dated as of May 1, 1971, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date first above written.

SEGAR FOUR CORPORATION


[CORPORATE SEAL]

By 
Vice-President

Attest: 
Secretary

GIRARD TRUST BANK, as Agent,

[CORPORATE SEAL]


By 
Vice President

Attest: 
Corporate Trust Officer

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

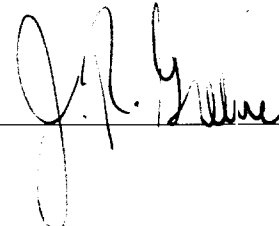
Receipt of a copy of, and due notice of, the assignment made by the foregoing Agreement and Assignment is hereby acknowledged as of May 1, 1971.

SEGAR FOUR LEASING COMPANY

By 
a General Partner



READING COMPANY

By 
Vice President

Robert C. Vincent
 COMMONWEALTH OF PENNSYLVANIA }
 COUNTY OF PHILADELPHIA } SS:

On this 2nd day of June, 1971, before me personally appeared Robert C. Vincent, to me known, who, being by me duly sworn, says that he is President of SEGAR FOUR CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

Robert C. Vincent
 Notary Public
 ROBERT C. VINCENT
 Notary Public
 COM. EXPI. 12/72

COMMONWEALTH OF PENNSYLVANIA }
 COUNTY OF PHILADELPHIA } SS:

On this 1st day of June, 1971, before me personally appeared ANDREW O. FRIEDRICH, to me personally known, who, being by me duly sworn, says that he is a Vice President of GIRARD TRUST BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

Donald I. Yost
 Notary Public
 DONALD I. YOST, NOTARY PUBLIC
 PHILADELPHIA, PHILADELPHIA COUNTY
 MY COMMISSION EXPIRES MAY 12, 1975
 Member, Pennsylvania Association of Notaries